



NC DEPARTMENT OF  
**HEALTH AND  
HUMAN SERVICES**

## Solicitation Addendum

**Solicitation Number:** #30-2025-004-DHB

**Solicitation Description:** Statewide Surveillance for Fraud, Waste and Abuse (SSFWA) RFP

**Deadline to Submit Proposals:** July 9, 2025, by 2:00 p.m. EST

**Solicitation Opening Date and Time:** July 10, 2025, at 2:00 p.m. EST

**Addendum Number:** 5

**Addendum Date:** June 6, 2025

**Addendum Description/Purpose:** Department Responses to Offerors Questions

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### **NOTIFICATIONS AND INSTRUCTIONS:**

1. The following are questions received for this solicitation and the Department's response to those questions.
2. Carefully read, review, and adhere to all revisions to the RFP in this Addendum #5.
3. Return one properly executed copy of this Addendum #5 with your response. Failure to sign and return Addendum #5 may result in the rejection of the Offeror's proposal.

No.	RFP Section	RFP Page Number	Offeror Question	State's Response
1.	General	N/A	<p>The remaining fee-for-service (FFS) population primarily consists of dual-eligibles, foster care and waivers. Foster care is projected to move out FFS this year, and there are discussions of duals also moving into managed care.</p> <p>Is there a possibility of DHB moving populations out of FFS during the term of this contract?</p>	The Department anticipates that there will continue to be a population of fee-for-service (FFS) during the Contract term.
2.	General	N/A	Is it possible that DHB would change MMIS or Fiscal Agent vendors during the term of the awarded RAC contract?	The Department is unable to answer this question at this time.
3.	I. B. Background and Program Information	6	Is the Department considering multiple awards of various scopes of work within the RFP. Providing an opportunity for the Department to retain services/solutions that provide the best offerings to the Department from multiple vendors?	The intent of this RFP is to select one Vendor that will be responsible for providing statewide surveillance for Fraud, Waste, and Abuse.
4.	I. B. Background and Program Information	6	Will this scope include all MCO paid claims, if so, will the vendor be required to coordinate with each MCO for recoupment efforts?	Yes. Offerors shall adhere to the Scope of Work related to recoupment requirements as described in the Section V.D.2. of the RFP.
5.	II.A.4 Potential Negotiations	7	The department reserves the right to negotiate with one or more offerors, but will the Department award 1 contract for the services under this RFP or might multiple contracts be awarded for carveouts of service scope?	See response to question 3 above.
6.	II. E. 3.c.	16	Are offerors required to use only the template file received by the government? The template file as sent does not allow for graphics, headings, bullets, or any other features to increase readability.	Yes, Offerors are required to use only the template file received. The Department templates allow Offerors to copy and paste graphics and formatted text from another document into the template.
7.	II.E.4.a.i.3)	16	Can the State please confirm that separate boxes are required for the cost and technical proposals, and separate notebooks in a single box is non-compliant?	Confirmed. <i>RFP Section II.E.4.a.3)</i> states that the Technical and Cost proposal should not be included in the same notebook or box. Offeror must submit in separate boxes. See RFP 30-2025-004 Addendum #6 for revisions to <i>Section</i>

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				<i>II.E.3.a. viii.</i>
8.	II.E.4.b	17	Is the State able to accommodate rescheduling of the hand delivery appointments after the initial request is processed?	No.
9.	III.D. 1.	30	<b>Access to Persons and Records:</b> Will the State allow a proposed modification to this section to A) exclude (i) information and data relating to other customers; (ii) attorney-client or legally privileged material; (iii) cost or margin information; (iv) records or minutes of Contractor's internal management meetings; and (v) any Contractor internal audit reports; and B) provide for reasonable notice in the absence of exigent circumstances?	Offerors must request changes to the terms and conditions following the process defined in <i>Section II.C.2. Notices Regarding RFP and Terms and Conditions</i> and <i>Section II.C.3. Proposed Modifications to Terms and Conditions</i> of the RFP.
10.	Section III (D)(1) Access to Persons and Records	30	Would a contractor's work-from-home staff be subject to the cited NC statutes? If so, would NC officials visit a contractor's remote workforce members' home to conduct a physical examination? If yes, under what parameters and notice would this home examination be conducted?	Yes. Offerors' work from home staff would be subject to the cited NC statutes in <i>Section III (D)(1) Access to Persons and Records</i> .  It is not standard practice for NC officials to conduct physical visits to the private homes of remote staff. In instances when such access is necessary, appropriate notice would be provided, and the examination would be limited to work-related areas.
11.	Section III (D)(2) Advertising	31	Proposed edit to this language:  "Contractor agrees not to use the existence of this Contract or the name of the Department or State of North Carolina as part of any commercial advertising or marketing of its products or services without the Department's prior written permission, excepted as permitted under this Contract."	See response to question #9 above.
12.	III.D.6.f.	33	Instead of the Department requesting criminal background checks on Contractor employees, independent contractors, employees of the Contractors approved subcontractors, would the Department accept an attestation of successful BIs for those supporting the scope of work?	No. Offeror must comply with RFP <i>Section III.D.6. Background Check and Disclosure of Litigation and Criminal Conviction or Adverse Financial Condition</i> .
13.	III.D.6.g.	33	Can the Department clarify the circumstances under which the Contractor must complete an SIB or FBI check for its	Pursuant to RFP <i>Section VII. Attachment H: Disclosure Of Litigation and Criminal Convictions</i> , and <i>Section VII. Attachment E: Certification of</i>

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			employees?	<i>Financial Condition and Legal Action Summary</i> , the Department may request Contractor to obtain, at its own expense, a North Carolina State Bureau of Investigation (SBI) and/or Federal Bureau of Investigation (FBI) background checks on all employees prior to assignment.
14.	Section III (D)(13) Cooperation with Other State Vendors	35	Please list the expected Department Vendors (or associated contracts) that the successful offeror would be expected to cooperate with, and to what extent, so that offerors can appropriately account for this effort and its associated resources and costs.	Multiple vendors support various parts of the FWA program. The Department does not have a list of expected vendors for statewide FWA services defined within this RFP at this time.
15.	Section III (D)(13) Cooperation with Other State Vendors	35	This section is specific to Department Vendors, but: 1) will the successful offeror be required to work with another NC agency in order to perform under the contract; and 2) if yes, which, and will that require the successful offeror to separately contract with those agencies?	No. The selected Offeror will not be required to work with another NC agency to perform under the awarded contract.
16.	Section III (D)(14)(d) Copyright	35	Proposed edit to this language:  "Contractor shall maintain ownership of all pre-existing intellectual property that it provides to the State as part of the deliverable(s), to the extent necessary to leverage the deliverables for their intended use, and the State shall have a royalty-free, fully paid, worldwide, perpetual, non-exclusive, irrevocable license to use such intellectual property solely for its operations."	See response to question #9 above.
17.	Section III (D)(15) Cultural and Linguistic Competency and Sensitivity	35	To ensure maximal offeror compliance, please share the applicable NC statutes and regulations covered under this clause.	The applicable North Carolina statutes and regulations related to <i>Section III (D)(15) Cultural and Linguistic Competency and Sensitivity</i> include: Title XIX of the Social Security Act, 42 C.F.R. Parts 438 and 440, NC General Statutes (NCGS) Chapter 143B-139.6C, Title VI of the Civil Rights Act of 1964 and Section 1557 of the Affordable Care Act (2024 Final Rule Implementation).
18.	Section III (D)(16) Default	35	Proposed edit to this language:  "If, through any cause, the Contractor shall fail to fulfill in timely and proper manner the	See response to question #9 above.

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			obligations under this Contract, and cannot adequately and timely cure such default, the Department shall have the right to terminate this Contract by giving written notice to the Contractor and specifying the effective date thereof."	
19.	III.D.16.a.	35	<b>Default:</b> Will the State consider a proposed modification to provide for a cure period in the event of an alleged default and other modest requested modifications to this section?	See response to question #9 above.
20.	III.D.18.b	36	If Contractor or its Subcontractors conducts business worldwide with civil litigation, regulatory findings, arbitration, and proceedings being conducted regularly as a part of its business, may it comply with III.D.18.b. by filing the required reports with the SEC for public review?	Offerors shall adhere to Terms and Conditions related to Disclosure of Litigation and Criminal Conviction or Adverse Financial Condition as described in <i>Section III.D.18.</i> of this RFP.
21.	Section III (D)(19)(b) Procurement Fees	38	What was the transaction fee dollar amount paid by the existing contractor in each of the last three (3) years?	Zero.
22.	III.D.25.a.	39	<b>Indemnification:</b> Will the State consider proposed modifications to the Indemnification section to limit the obligation to indemnify to third party claims, limit to direct damages, and to include a to be negotiated limitation of liability?	See response to question #9 above.
23.	III.D.27.	40	<b>Inherent Services:</b> Will the State please consider proposed modifications to make the first sentence of section 40 more specific and to allow for any purported inherent services (exclusive of those listed in the second sentence) to be agreed-upon by the parties?	See response to question #9 above.
24.	III.D.29.b	41	<b>Litigation:</b> Please confirm that the settlements referred to in 29.b are settlements with providers related to the overpayments to be recovered under this Contract. If 29.b does not refer to provider settlement, will the State allow for a proposed modification to this term to provide more clarity?	Offeror shall adhere to Terms and Conditions related to Litigation as described in <i>Section III.D.29. Litigation of this RFP.</i>  Offerors must request changes to the terms and conditions following the process defined in <i>Section II.C.2. Notices Regarding RFP and Terms</i>

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				<i>and Conditions and Section II.C.3. Proposed Modifications to Terms and Conditions of the RFP.</i>
25.	III.D.35.	42	<b>Payment and Invoice Terms:</b> Will the State consider adding a new subsection to allow for a run-out period, ensuring the Contractor is paid for recoveries realized from services provided prior to the expiration date of the contract?	Recoveries realized from services provided prior to the contract expiration date are included in invoices submitted prior to contract closeout.
26.	D.35.d.iii.	43	Medicaid Multiplier is capitalized as if it is a defined term; however, no definition is provided. Will the State please define Medicaid Multiplier?	See RFP #30-2025-004-DHB Addendum #6 for revisions to the RFP.
27.	III.D.43.c.	46	<b>Subcontractors:</b> Will the State please consider proposed modifications to allow the subcontracts to be redacted to protect third parties confidential and proprietary information and fees?  Will the State please consider edits to strike the sentence that states that the Department is an intended third party beneficiary given that many companies use subcontractors who serve multiple clients and operate as corporate-wide enterprise vendors and subcontractors?	See response to question #9 above.
28.	III.D.43.e.	46	<b>Subcontractors:</b> Will the State please consider proposed modifications as cited below and similar to those requested above related to Section III., 1. Access to Persons and Records on page 30?	See response to question #9 above.
29.	Section III (D)(47)(a) Termination without Cause	47	Proposed edit to this language:  "The Department may terminate this Contract, in whole or in part, by giving forty-five (45) thirty (30) Calendar Days prior notice in writing to the Contractor."	See response to question #9 above.
30.	E.2.c	49	What specific provisions of IRS 1075 apply to this work?	Offerors should adhere to all requirements as described in <i>Section III.E.2. Confidential Information</i> , including IRS Publication 1075 provisions (Tax Information Security Guidelines for Federal, State, and Local Agencies and Entities).

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31.	Section III (E)(3)(a)(iv) HIPAA and HITECH	50	Link listed for "timely reporting of privacy and/or security incidents" does not work. Please provide an alternate link so offerors may understand this requirement.	<a href="https://www.ncdhhs.gov/about/administrative-divisions-offices/office-privacy-security">https://www.ncdhhs.gov/about/administrative-divisions-offices/office-privacy-security</a> .
32.	Section III (E)(3)(d) HIPAA and HITECH	50	This section requires contractors (offerors) to "comply with State rules and regulations." However, the rules and regulations are not provided, nor listed. Please provide the State rules and regulations that are to be followed.	See RFP <i>Section III.E.5.a</i> . Offerors can access the DHHS Privacy and Security Manual at the following link: <a href="https://www.ncdhhs.gov/about/administrative-divisions-offices/office-privacy-security">https://www.ncdhhs.gov/about/administrative-divisions-offices/office-privacy-security</a> . Offerors can access NC Statewide Information Security policies at the following link: <a href="https://it.nc.gov/resources/cybersecurity-risk-management/esrmo-initiatives/statewide-information-security-policies">https://it.nc.gov/resources/cybersecurity-risk-management/esrmo-initiatives/statewide-information-security-policies</a> .
33.	III. Scope of Services E. Confidentiality, Privacy, and Security Protections; NC DIT SSP Template	53	In order to properly complete the System Security Plan (NC DIT SSP Template), offerors will need to understand considerably more information about the State's IT environment and requirements. In similar procurements this has been a required deliverable after contract initiation. Will the state consider this document to be required as a deliverable after contract award and not as part of the RFP submission?	No. Offerors must provide the System Security Plan with their proposal submission in accordance with <i>Section III.E.9.a</i> of the RFP.
34.	Section III.E.7. SOC Reports	53	If an offeror maintains a SOC 1 Type 2 Report and HITRUST r2 Certification, will the Department accept HITRUST in lieu of a SOC 2 Type 2 Report?	Yes, the Department will accept HITRUST certification in lieu of a SOC 2 Type 2 report.
35.	Section III.E.9.b and Section V.K. Table 1	53 and 77	The RFP states, "The following shall be submitted to the Department at least sixty (60) Calendar Days prior to service implementation or 'go-live,' unless the Department sets another due date, in which case Contractor shall have a least thirty (30) Calendar Days advanced notice of the due date,"  Given the contract has a system go-live 90 days after execution, does the Department expect to exercise a reduced timeline to submit all versions prior to go-live? (This is related to the Section V.K Table 1 schedule.)	Yes, the Contractor is expected to adhere to a reduced timeline to ensure all required submission are completed before system go-live within ninety (90) days after contract execution.

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36.	IV. Minimum Quals – C. Financial Stability	56	As a private company that historical has not disclosed financials to clients and where all our current state government clients have accepted our Dun and Bradstreet rating and report in lieu of disclosing balance sheets, would the Department be amenable with that level of detail?	No. Offeror should comply with the Background Check and Disclosure of Litigation and Criminal Conviction or Adverse Financial Condition described in <i>Section III.D.6</i> of the RFP.
37.	V.B. General Requirements	58	By workstream, how many staff (full time & part time) work on the incumbent contract?	The Department is unable to provide this information at this time.
38.	V.B. General Requirements	58	Can the state provide the following <u>financial</u> metrics (total dollars) for the past fiscal year of over- and under-payments identified, recoveries received, and of the following: 1. Post payment Non-RAC Reviews (PERM, MIC & OSA Reviews) 2. Post payment Non-RAC Reviews (all others) 2. Post payment RAC Reviews 3. Investigations conducted 4. Audits conducted 5. Pre-payment reviews	The Department is unable to provide this information at this time.
39.	V.B. General Requirements	58	Can the state provide the following <u>numerical</u> metrics (total counts) for the past fiscal year to include # of audits (or average # of) of the following: 1. Post payment Non-RAC Reviews (PERM, MIC & OSA Reviews) 2. Post payment Non-RAC Reviews (all others) 2. Post payment RAC Reviews 3. Investigations conducted 4. Audits conducted 5. Onsite audits performed 6. Pre-payment claim reviews	<p>The Department does not have total counts for the past fiscal year for most audit types. Due to the transition to Managed Care, historical volumes are not expected to reflect future activity.</p> <p>The following anticipated volumes are based on 2024 activity and are provided for planning purposes only. These estimates do not represent guaranteed volumes or upper limits:</p> <ol style="list-style-type: none"> <li>1. Post payment Non-Rac Reviews (PERM, MIC &amp; OSA Reviews): Approximately fourteen (14) to twenty-five (25) cases per month from complaints and data analytics.</li> <li>2. Post payment Non-RAC Reviews (all others): The Department is unable to provide this information as part of the Question and Response Process of this RFP.</li> <li>3. Post Payment RAC Reviews: The Department is unable to provide this information as part of the Question and Response Process of this RFP.</li> </ol>



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				<p>4. Investigations conducted: The Department is unable to provide this information as part of the Question and Response Process of this RFP.</p> <p>5. Audits conducted: The Department is unable to provide this information as part of the Question and Response Process of this RFP.</p> <p>6. Onsite audits performed: The Department is unable to provide this information as part of the Question and Response Process of this RFP.</p> <p>7. Prepayment Claims reviews: Approximately four thousand (4,000) to six thousand (6,000) claims per month.</p>
40.	V.B. General Requirements	58	Does the state allow statistical sampling with extrapolation of overpayments identified?	Statistical sampling with extrapolation is approved by the Department on a case-by-case basis.
41.	V.B. General Requirements	58	What are the State's RAC and non-RAC limits on the number and frequency of medical records to be reviewed as per 42 CFR 455.506 <i>States must set limits on the number and frequency of medical records to be reviewed by the RACS, subject to requests for exception from RAC's to States?</i>	The Department does not impose blanket RAC or non-RAC limits on the number or frequency of medical record reviews. Limits are defined and approved on a case-by-case basis with each proposed initiative submitted by the Offeror. These limits are subject to State review and approval, in accordance with 42 CFR 455.506, and may be adjusted upon request if justified.
42.	V. Scope of Services	58, 69	Will the offeror be expected to use state-provided data analytic tools, as referenced below, or will the offeror be required to supply the data analytic tools? P. 58; A Fraud, Waste, and Abuse Services Objectives: <i>"This includes using advanced data analytics to identify suspicious patterns..."</i> , and Page 69: 4. Proactive Investigatory Initiatives: <i>"The Contractor will perform data analysis based on direction from..."</i> If using State-provided analytics tools, which tools will be provided by the state?	The Contractor will be required to provide their own data analytic tools.
43.	V.B.2.a	58	Will complaints/referral intake and vetting to identify if a referral or complaint is relevant for the vendor's work done done by OCPI Business Intake prior to arriving to the vendor?	Yes.

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44.	V.B.2.b	58	Will the vendor be allowed to use NCTracks to place providers on prepay?	No, the Department will determine which providers to place on pre-pay.
45.	V.B.2.b	58	Will the vendor be allowed to query final claims extracts for investigative activities review?	The Department may allow for the query of final claims extracts for investigative activities. Access must comply with confidentiality and security requirements as outlined in the RFP.
46.	V.B.2.d.	58	<p><b>Requirement:</b> Conduct RAC and non-RAC post payment reviews of claims and medical records for services that may have resulted in overpayments or underpayments and identify, investigate and notify Providers of the need to repay overpayments to the Department.</p> <p><b>Question:</b> GDIT's MMIS has not historically been able to recover partial payments on claims. Has GDIT proven that their MMIS can now do this successfully?</p>	Yes.
47.	V. B.2.d	58	Can the State clarify exactly how “non-RAC post payment reviews” differ from “Program Integrity Investigations”?	Non-RAC post payment reviews are to ensure compliance and accuracy, while program integrity investigations result from complaints and analytics identifying potential fraud, waste and abuse.
48.	V.B.2.d	58	This section states “Conduct RAC and non-RAC post payment reviews of claims and medical records for services that may have resulted in overpayments or underpayments...” Will the awarded vendor only be given access to Fee-for-service (FFS) claims, or will Managed Care encounter claims also be made available for audit and investigation?	Upon Contract Award, Contractor will audit and investigate Fee-For-Service claims only. If assistance is needed with analysis of managed care encounters, the encounter claims will be provided. However, only analysis of encounter claims may be conducted by the Contractor. Audits and investigations of encounters are solely conducted by the Managed Care entities.
49.	V.B.2.d	58	Can the State provide the number of complex RAC reviews that are expected to be conducted by the vendor during each contract year?	The Department is unable to provide this information at this time.
50.	V.B.2.d	58	Can the State provide the number of automated RAC reviews that the incumbent has performed over each of the last three State fiscal years?	Automated RAC reviews have not been performed by the incumbent during the past three State fiscal years.
51.	V.B.2.d	58	Can the State provide the number of automated RAC reviews that are expected to be conducted by the vendor during each contract year?	The Department is unable to provide this information at this time.

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52.	V.B.2.d	58	Can the State provide the number of "non-RAC post payment reviews" that the incumbent has performed over each of the last three State fiscal years?	Annual totals were not separately tracked, and the Department is unable to provide this information at this time.
53.	V.B.2.d	58	What is the minimum number of "non-RAC post Payment Reviews" expected to be conducted by the vendor during each contract year?	There is no minimum number of non-RAC post payment reviews required for each contract year.
54.	V.C. Qualifications and Program Administration Requirements	59	Is the vendor required to operate within the Complaints & Investigations (C&I) solution, or may they leverage their own technology to complete the PI reviews and provide a data feed to import data in the C&I? Providing the Department with the benefit and efficiencies of modernized and enhanced solutions.	Offeror shall comply with the requirements of <i>Sections V.C., V.D.3.c., and V.E</i> in the RFP.  The Department is requiring all reviews and investigations to be recorded in the C&I system.
55.	V.C. Qualifications and Program Administration Requirements	59	Please describe the functionality available within the C&I solution to inform the vendors of what data points and actions are expected to be recorded, leveraged and available within the solution, e.g., letter generation, financial tracking (lockbox and recoupments), case notes, documentation storage (medical records), etc.?	Complaints & Investigations (C&I) is a standard Customer Relationship Management (CRM) tool that has customizations to allow Case detail tracking and work queue assignments.  The Department has added a clarifying attachment to the RFP. See RFP #30-2025-004-DHB Addendum #6 for RFP <i>Section VII. Attachment O: C&amp;I Data Field Names.</i>
56.	Section V.C.3	59	The RFP states, "Contractor shall utilize Complaints & Investigations (C&I), NC Tracks, and other systems and tools that may be developed and implemented by the Department to track interactions and information related to FWA."  Can the Department please clarify whether there is an expectation that the Contractor's case management or provider portal integrate with any of the above systems? If so, have those systems been identified with appropriate API integration points ready to use?  Additionally, how many licenses will the Contractor be given to the various systems? Will the Contractor be required to pay for these licenses and, if so, will the Department please provide the licensing cost?	Yes, the Contractor will interface directly with the Department's case management system (C&I). The Department will provide the necessary licenses to the Contractor based on need.  There is no requirement for the Contractor's case management system or provider portal to integrate with the Department's systems.

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57.	Section V(C)(5) Qualification and Program Administration Requirements	59	This section addresses travel and meeting attendance. Is the state able to provide a high-level summary of anticipated travel and meeting attendance so offerors may factor this information into their cost proposal?	The Department anticipates approximately five (5) trips per year for travel and meeting attendance.
58.	V.D. General Question	59	Will the Department pend or deny the claim for medical documentation?	The Department shall deny the claim if Offeror fails to submit any records in support of a claim.
59.	Section V(D)(1)(a) Prepayment Claims Review	59	This section advises offerors of the requirement to conduct prepayment claims review. Is the state able to provide a description, process flow, workflow, etc., of the state's expectations for how the prepayment review process works today or is expected to work upon award of the contract?	The Department expects Offerors to describe their approach to these five steps in its response: 1. Provider Selection: The Department determines which Providers will be placed on prepayment review. 2. Claim Suspension: Once claims are submitted by the selected Providers, they are suspended in NCTracks and routed to the Contractor. 3. Claims Access: The Contractor retrieves suspended claims from NCTracks for processing. 4. Medical Records Request: The Contractor requests supporting medical records from the Provider. 5. Claim Review: Upon receipt of the records, the Contractor has 20 days to complete the review and determine if the claim qualifies as a clean claim.
60.	V.D.1 Prepayment Claims Review		What was the count of claims reviewed, and dollars saved in "prepayment claims review" in each of the previous 2 years?	In SFY 2024 there were forty-three thousand eight hundred seventy-six (43,876) claims reviewed with calculated cost avoidance of sixteen million, seven hundred twelve thousand, three hundred thirty-eight dollars (\$16,712,338). For SFY 2023, the calculated cost avoidance was twelve million, six hundred forty-seven thousand nine dollars (\$12,647,009).
61.	Section V.D (Fraud, Waste, and Abuse Requirements)	59-69	Will the Department please provide the volume of cases for each of the past three years specific to each of the following categories:  • Prepayment Review	The following anticipated volumes are based on 2024 activity and are provided for planning purposes only. These estimates do not represent guaranteed volumes or upper limits: 1. Prepayment Claims reviews: Approximately

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			<ul style="list-style-type: none"> <li>• Postpayment Review non-RAC</li> <li>• RAC</li> <li>• Program Integrity Investigations</li> <li>• Proactive Investigatory Initiatives</li> </ul> <p>To establish proper staffing and cost expectations, can the Department also please provide the anticipated volume or volume range a Contractor might anticipate each year for each category?</p>	<p>four thousand (4,000) to six thousand (6,000) claims per month.</p> <ol style="list-style-type: none"> <li>2. Post payment non-RAC: Approximately fourteen (14) to twenty-five (25) cases per month from complaints and data analytics.</li> <li>3. RAC Reviews: The Department is unable to provide this information as part of the Question and Response Process of this RFP.</li> <li>4. Program Integrity Investigations: The Department is unable to provide this information as part of the Question and Response Process of this RFP.</li> <li>5. Proactive Investigatory Initiatives: Approximately four (4) to six (6) initiatives annually.</li> </ol>
62.	V.D.1.General Question	60	<p><b>Prepayment Claims Review:</b> What is the anticipated volume of providers that would be on prepayment review, and what is the anticipated volume of claims to be reviewed?</p>	The Department anticipates ten (10) to twenty (20) active providers each month. Annual Prepayment Claims Review volume could range between forty thousand (40,000) and one hundred twenty thousand (120,000) reviews annually.
63.	V.D.1.General Question	60	<p><b>Prepayment Claims Review:</b> Will the State be providing regular claim extracts for the post-adjudicated and pre-paid claims to be reviewed on an ongoing basis? What is the frequency transmission anticipated for this extract, and how quickly after adjudication would the data be shared with the Contractor?</p>	Yes. The Department will provide weekly claim extracts to the Contractor to conduct RAC selections. For prepayment claims review, the Contractor will receive submitted claims daily as received from the provider.
64.	V.D.1.General Question	60	<p><b>Prepayment Claims Review:</b> How does the State anticipate the Contractor to return claims with decisions for prepayment reviews? Is there a layout of fields and decision codes that must be used?</p>	The Contractor will be authorized to approve or deny the claim in NCTracks. The Department will provide interface protocols after Contract Award.
65.	V. Scope D. FWA Requirements #1	60	Will vendor be allowed to establish the prepayment billing threshold?	Yes, subject to review and approval by the Department.
66.	V.D.1	60	Can the State provide the number of prepayment reviews that the incumbent has performed over each of the last three State fiscal years?	The Department is unable to provide this information at this time.

No.	RFP Section	RFP Page Number	Offeror Question	State's Response
67.	V.D.1	60	Can the State provide the total number of prepayment claims reviewed or the average number of prepayment claims reviewed per provider over each of the last three State fiscal years?	Data is only available for 2024, during which forty-three thousand eight hundred seventy-six (43,876) prepayment claims were reviewed. Data for prior years and average claims per provider are not available.
68.	V.D.1	60	Can the State provide the number of concurrent providers on pre-pay each month over each of the last three fiscal years?	The Department is unable to provide this information at this time.
69.	V.D.1.a	60	Please confirm whether the Medicaid Providers on prepayment review will encompass 100% of billed claims and claim types? If not 100%, please specify which claim types will be included	Confirmed.
70.	Section V(D)(1)(h) Prepayment Claims Review	61	Subsection h discusses the contractor's participation in the Hearings/Appeals process. For operational planning and pricing, is the state able to provide statistics on the frequency of this participation and any associated travel in the most recent 12-months?	In the most recent 12-month period (2024), there were approximately three (3) to four (4) instances where provider terminations from prepayment review failure resulted in appeals to the Office of Administrative Hearings. Each of these required the contractor to travel for in-person participation.
71.	V.D.2.General Question	61	<b>Post Payment Reviews and RAC/non-RAC:</b> What is the anticipated volume of cases per month per case type for the Non-RAC Post Payment Reviews?	The Department anticipates a monthly case volume between fifteen (15) to twenty-five (25) cases per month. The Department does not have an estimated volume by case type.
72.	V. Scope D. FWA Requirements #2	61	How many post-pay claim detail line items per year do you expect to review?	The Department estimates approximately one hundred twenty thousand (120,000) post-pay claim detail line items per year.
73.	V. Scope D. FWA Requirements #2	61	What is the volume of prepay reviews the State anticipates for inclusion?	In 2024, the Department conducted an average of three thousand six hundred (3,600) claim reviews per month. The Department anticipates a slight increase in volume.
74.	V.D.2.	61	Is the contractor expected to perform recovery activities only for those specifically conducted under the "RAC reviews" portion of the scope of work?	No. The Contractor's role is limited to conducting investigative activities to substantiate over or underpayments and issuing any notices. The Contractor shall not collect payments.
75.	V.D.2	61	What is the maximum volume and pace of post payment reviews in scope for pricing? What is the average DLIs	There is no maximum volume for post payment reviews. The Department anticipates the review of

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			included in the scope for each review?	approximately fourteen (14) to twenty-five (25) cases per month.  The Department does not calculate the average Detailed Line Items (DLI) for post payment reviews.
76.	V.D.2	61	What volume of prepay reviews are to be included?	The Department estimates one hundred twenty thousand (120,000) pre-pay claim detail line items per year.
77.	V.D.2	61	Can the State provide the number of complex RAC reviews that the incumbent has performed over each of the last three State fiscal years?	The Department is unable to provide this information at this time.
78.	V.D. 2.a.ix.	61	<b>Requirement:</b> Pharmacy  <b>Question:</b> Is this meant to encompass investigation of retail and other pharmacy providers who dispense drugs? If not, is this meant to encompass prescriber behavior and members who obtain prescriptions?	This requirement pertains to pharmacy providers who dispense drugs and bill the Medicaid Program directly.
79.	Section V(D)(2)(m) Post Payment Reviews and RAC/non-RAC	61	This section discusses the contractor's potential participation in "a deposition in a fraud case." For operational planning and pricing, is the state able to provide statistics on the frequency of this participation and any associated travel in the most recent 12-months?	There were no in-person depositions related to fraud cases requiring Contractor participation in 2024.
80.	V. Scope D. FWA Requirements #2 & Attachment C: Cost Proposal	61 & 111	What is the expected volume of audit related post payment review activities covering PERM, MIC, OSA?	The Department is unable to provide this information at this time.
81.	V.D.2. Post Payment Reviews and RAC/non-RAC	61	What was the count of claims reviewed, and dollars recovered in "post payment reviews" in each of the previous 2 years?	The Department does not track post payment review claims volume and is unable to provide this information at this time.
82.	V.D. Fraud, Waste and Abuse	62	Clarification regarding the functionality of C&I based on the requirement to complete all aspects of the case review. Is C&I capable of documentation creation, indexing records	No, C&I does not support batch uploading or full integration with external case management systems.



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	Requirements, sub req "d."		received or additional forms of automation?  If not, would the awarded vendor be able to batch upload data into C&I while operating in its own advanced case management solution while providing the necessary information in C&I?	See Addendum #6 for revisions to Section V.D.2.d.
83.	V.D.2.g.ii	62	<b>Requirement:</b> Establish an agreed upon limit of record requests per Provider location and type per time period, ensuring that the number of medical records do not negatively impact the Provider's ability to provide care.  <b>Question:</b> Does Department have pre-determined medical record mailing limits or will this be created with Contractor? If medical record mailing limits exist, can the Department provide those limitations?	After Contract Award, the Department will work with Contractor to determine medical record mailing limits.
84.	V. Scope D. FWA Requirements #2	62	On page 62 of the RFP under 2.g.iii - the requirements for final records requests are noted to go to providers via traceable mail. Is the Department firm on that requirement or would a secure traceable means of electronic transmission for these records requests be acceptable to both expedite the process for providers and lessen the provider's burden versus receiving a hard copy request?	The Department will allow final record requests to be issued via a secure traceable means of electronic transmission in addition to certified mail under <i>Section V.D.2.g.iii</i> of the RFP.  See Addendum #6 for revisions to <i>Section V.D.2.g.iii</i> of the RFP.
85.	V.D.2.g.iii	62	<b>Requirement:</b> Send a Final Records Request notice (via traceable mail) to the Provider if records have not been submitted after ten (10) State Business Days from the date the Initial Records Request was received. The Contractor shall determine that the claim is an overpayment if medical records are requested and not received within five (5) State Business Days after the Provider has received the second Records Request.  <b>Question:</b> If a medical record is not received, will the Department allow for full recoupment of the claim? If yes, will a medical record be permitted after the recoupment has occurred?	Yes, the Department will allow for full recoupment of a claim when the medical record is not received. Providers are afforded thirty (30) State Business Days to submit additional documentation after receiving a Tentative Notice of Decision (TND). Full recoupment is allowed if the TND becomes final.  See Addendum #6 for revisions to <i>Section V.D.2.g.iii</i> of the RFP.
86.	V.D.2.g.viii	62	<b>Requirement:</b> Conduct random sampling and assess the findings by following Department guidelines.	Confirmed.



No.	RFP Section	RFP Page Number	Offeror Question	State's Response
			<b>Question:</b> Please confirm that the Contractor can execute proprietary algorithms to make RAC claim selections for audit versus just random sampling?	
87.	V.D.2.h.i.	63	<p><b>Requirement:</b> Collaborate with the Department to establish a lockbox for the receipt of Provider payments and gain access to systems and data necessary to execute collection activities.</p> <p><b>Question:</b> Please confirm that the Department will own the lockbox, while the Contractor will be responsible for managing it.</p>	Confirmed.
88.	V.D.2.h.i.	63	<p><b>Requirement:</b> Collaborate with the Department to establish a lockbox for the receipt of Provider payments and gain access to systems and data necessary to execute collection activities.</p> <p><b>Question:</b> If the Contractor is to own the lockbox, can Contractor use a bank we are currently working with?</p>	No. The Department requires ownership of the lockbox to be held solely by the Department. The Department will work with the Contractor to use an existing lockbox or establish one at a suitable bank.
89.	V.D.2.i.	63	<p><b>Requirement:</b> Contractor shall develop protocols that coordinate reviews to prevent situations where the Contractor and another entity are working on the same claim.</p> <p><b>Question:</b> Does this apply to RAC only or to post-pay reviews as well? Does the State make lists of claims worked by other Contractors available?</p>	The requirement in RFP <i>Section V.D.2.i</i> applies to all post payment reviews. The Contractor shall coordinate with the Department before undertaking any post payment reviews. The Department will not provide a list of claims worked by other Contractors.
90.	V.D.2.j	63	Can the State provide the number of RAC fraud referrals over each of the last three fiscal years?	The Department is unable to provide this information at this time.
91.	V.D. Fraud, Waste and Abuse Requirements, 2. M	64	<p>Given that the audit is between the state and the provider, not the contractor, would the State be amenable to updating this language to say, <i>"The Contractor shall support the State in appeals arising from the recoupment process and shall provide factual information with regard to its..."</i> -</p> <p>Current Language: <i>The Contractor shall be the lead in</i></p>	See response to question #9 above.

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			<i>appeals arising from the recoupment process and shall defend its review decisions on behalf of the Department.</i>	
92.	V.D.2.m	64	Can the State provide the number of RAC reconsideration reviews over each of the last three fiscal years?	Data on OAH contested case hearings for the past three fiscal years is unavailable due to RAC activities being paused during that period.
93.	V.D.2.m	64	Can the State provide the number of RAC OAH contested case hearings over each of the last three fiscal years?	Data on OAH contested case hearings for the past three fiscal years is unavailable due to RAC activities being paused during that period.
94.	V.D.2.m.i.1	64	What is the total RAC recoupment for the past three State fiscal years?	Data on RAC activity for the past three State fiscal years is unavailable due to RAC activities being paused during that time period.
95.	V.D.2.m.i.1	64	How many RAC audits was the recoupment amount reduced during appeal?	The Department does not track this data and is unable to provide this information at this time.
96.	V.D.2.m.i.1	64	What was the total amount of reduction for the recoupment during the RAC audit appeals?	The Department does not track this data and is unable to provide this information at this time.
97.	V.D.2.m.ii Telephone or In Person Reconsideration Review	64	What was the count of reconsideration reviews in each of the previous 2 years? What %, in each year, required the Contractor to appear In Person rather than via Telephone?	The Department does not track the count of reconsideration reviews and is unable to provide this information at this time. However, all reconsideration reviews in the previous two (2) years were conducted via telephone, with 0% requiring an in-person appearance.
98.	Section V(D)(2)(m)(ii) Post Payment Reviews and RAC/non-RAC	64	This section discusses the contractor's potential in-person participation in Reconsideration Review. For operational planning and pricing, is the state able to provide statistics on the frequency of this in-person participation and any associated travel in the most recent 12-months?	The Department does not have statistics available on the frequency of in-person participation or associated travel over the most recent 12-month period for participation in Reconsideration Reviews.
99.	V.D.2.m.ii.1.	64	<p><b>Requirement:</b> The Contractor must attend the review and present an oral explanation in defense of the decision to deny or reduce payment of services. Contractor must be prepared to respond to arguments made by the Provider and to questions posed by the Hearing Officer and the Provider.</p> <p><b>Question:</b> Please confirm that the Contractor may be present via telephone regardless of the Provider's option to attend in person.</p>	Confirmed.

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100.	Section V(D)(2)(m)(iii) Post Payment Reviews and RAC/non-RAC	64	This section discusses the contractor's potential in-person participation in OAH Contested Case Hearing. For operational planning and pricing, is the state able to provide statistics on the frequency of this in-person participation and any associated travel in the most recent 12-months?	In the most recent 12 months, OAH required three (3) in-person contested case hearings.
101.	V.D.2.m.iii.	64	<p><b>Requirement:</b> OAH Contested Case Hearing: The Provider may appeal the results of a paper review and a telephone or personal reconsideration review hearing to OAH. A Provider may also appeal directly to OAH without going through the informal hearing process. When a Provider appeals to OAH, the Contractor shall provide to the Department the completed case file, including the medical record within one (1) State Business Day; Assist the Department and State's attorneys with responses to discovery, prepare the case for hearing; and participate in depositions and hearings in Raleigh and other locations within the State as fact witnesses and expert witnesses.</p> <p><b>Question:</b> Please confirm the onsite requirements for the Contractor versus teleconference availability. Can the Department provide the estimated number of onsite hearings per month?</p>	<p>The Contractor must be available in person, as needed, for OAH hearings.</p> <p>There was a total of three (3) in-person onsite hearings in 2024.</p>
102.	Section V(D)(3) Program Integrity Investigations	66	Section 3 discusses the contractor's conduction of Program Integrity Investigations. Does the state expect contractors to conduct onsite, in person interviews and investigations with Medicaid providers of service? If yes, is the state able to provide information on the number of onsite interviews/investigations expected to be conducted in a 12-month period?	<p>Yes, the Offeror must be available to conduct onsite, in-person Program Integrity Investigations as needed. Onsite presence will be required if circumstances indicate that a virtual review will not suffice.</p> <p>The Department is unable to provide a specific number of onsite interviews or investigations expected within a 12-month period, as these will depend on the nature and complexity of individual cases.</p>
103.	V. Scope D. FWA Requirements #3	66	How many provider investigations do you expect to request annually?	The Department estimates that the Contractor may receive at least 300 provider investigations annually.

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104.	V. Scope D. FWA Requirements #3a	66	Must all investigation intake referrals come from the Department, or can intake referrals also come directly from the analytics, prepayment, and post payment outcomes/findings?	All investigation intake referrals will come from the Department as defined in <i>Section V.D.3.a.i.</i> of the RFP.
105.	V.D. Fraud, Waste and Abuse Requirements, sub req - c. Preliminary Investigations	67	Does the Department have historical volumes of how many reviews are on-site versus off-site?	No. The Department does not maintain formal historical volumes distinguishing between on-site and off-site reviews.
106.	V. Scope D. FWA Requirements #3c	67	Will the vendor receive access to OCPI's C&I and CTMS applications for complaint and referral intake review?	Yes. The vendor awarded the Contract will receive access to Complaints & Investigations (C&I), NC Tracks, and other systems and tools developed and implemented by the Department to track interactions and information related to FWA. See <i>Section VC.3.</i> of the RFP.  Contractor must maintain its own secure, web-enabled case management tracking system (CMTS) as required in <i>Section V.E.2.</i> of the RFP.
107.	V.D.3.c.iii Provide on-site and off-site staff	67	What count of reviews and investigations in each of the previous 2 years required on-site staff for document acquisition?	In the past two (2) years, a total of two (2) onsite investigations required on-site staff for document acquisition.
108.	V. Scope D. FWA Requirements #4	69	What analytics and/or investigation initiatives has OCPI reviewed for its current RAC program?	Analytics and/or investigation initiatives that OCPI has reviewed for its RAC program include the following: 1) Paid Amount Exceeds Billed Amount; 2) Genetic Testing; and 3) Outpatient billing within 24 hours of Hospital Admissions.
109.	V. Scope D. FWA Requirements #4	69	What analytics and/or investigation initiatives has OCPI reviewed for its current post-payment review program?	Analytics and/or investigation initiatives that OCPI has reviewed for its post payment review program include the following: 1) Optical billing; 2) Surgical Extractions; and 3) Durable Medical Equipment (DME) billing.
110.	V. Scope D. FWA Requirements	69	What were the most impactful initiatives that North Carolina OCPI has completed over the past year in pre-pay, post-pay, and RAC?	The Department is unable to answer this question.

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111.	V.D.4	69	Is coordination with Managed Care Organizations where investigatory activities may overlap included in this scope?	No.
112.	V.D.4	69	Are analytics to include both fee for service claims and managed care encounters?	Analytics will focus on Fee for Service (FFS) claims unless specifically requested by the Department.  See Addendum #6 for revisions to <i>Section V.D.4.i.</i> of the RFP.
113.	V.D. 4.i-iii.	69	<b>Data Analytics:</b> What is the projected range of Providers per month given to the Contractor to perform analysis?	The Department does not have information necessary to answer this question at this time.
114.	V.D.5	69	Does the Department anticipate using extrapolation for post payment reviews for program integrity review investigations?	Yes.  See Addendum #6 for revisions to <i>Section VII. First Revised and Restated Attachments Attachment P: DHB PI Statistical Sample Guidelines to the RFP.</i>
115.	V.D.5	69	Can you share the department guidelines related to sampling and extrapolation of findings that are mentioned in this section?	See Addendum #6 for revisions to <i>Section VII. First Revised and Restated Attachments Attachment P: DHB PI Statistical Sample Guidelines to the RFP.</i>
116.	Section V.D.6	69	The RFP states, "Contractor shall maintain all documentation required or necessary to comply with Federal and State criteria and standards concerning an audit of its services under this contract." Does the Department anticipate audit activities performed by the Contractor to be performed under Government Auditing Standards (Yellow Book)?	Yes.
117.	V.D.7	69	The RFP States "At any time during the term of this contract, the Department may, at its discretion, designate any part or all such work for completion by the Department." Will the vendor be provided any advance notification of this change of services and would it be clearly defined in a contractual amendment?	Yes.  See Addendum #6 for revisions to RFP <i>Section V.D.7.</i>

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118.	V.E. Technology Specifications	70	Regarding RAC and Non-RAC activities, is the vendor responsible for identifying leads? If so, which tool set and what environment (State or contractor owned/run) would be used? If a contractor owned/run environment, does the state anticipate providing a regular flow of data to the vendor to perform RAC and non-RAC activities?	<p>Yes, the Contractor will be required to generate its own leads for RAC activities and submit them to the Department for approval. For non-RAC activities, the Department will supply the leads for post payment reviews and the Contractor should submit an analysis for the Department's consideration.</p> <p>The Contractor must utilize its own analytic tools, and the Department will provide data to the Contractor to perform RAC and non-RAC activities.</p>
119.	V.E. Technology Specifications	70	Given that Section V.E. of the RFP includes the procurement of information technology, pursuant to G.S. 143B-1350(h1), would the Department be willing to negotiate a mutual, aggregate limitation of liability? We would propose the use of the Limitation of Vendor's Liability set forth in Section 1, Paragraph 22 of North Carolina's Department of Information Technology Terms and Conditions. However, in the event the State does not agree with the specific language set forth in Paragraph 22, would the State please confirm that it is willing to leave open this specific provision of the Contract for later negotiation as per Section II(C)(2)(b) of the RFP?	See response to question #9 above.
120.	Section V.E.1	70	<p>The RFP states, "For post-payment review activities, the Contractor shall utilize a designated system determined by the Department for case tracking and documentation."</p> <p>Does the Department's CTMS for post-payment reviews have the ability to request, collect, and track post-payment documentation from the provider, or is it expected/allowed that the Contractor use their pre-payment provider portal to supply that functionality?</p>	The Department's CTMS does not currently have the ability to request, collect and track post payment documentation from the provider. The Department requires the Contractor to use its pre-payment provider portal to make requests and collect documentation and upload the requests and collected documentation into the Department's CTMS.
121.	Section V.E.2-3	70	Can the Department please provide the number of licenses the Department will require for State staff for both the pre-payment CMTS and the Provider Portal.	Up to ten (10) user licenses.
122.	Section V.E.4	70	The RFP states, "The Contractor will perform all functions regarding site maintenance, technical assistance, and	The expectation applies to Contractor's Provider Portal for pre-payment review. The Contractor

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			<p>Department requested modifications. Modifications will go through a rigorous planning process prior to Department approval to ensure that timelines are met with superior site performance."</p> <p>Can the Department please clarify whether this expectation applies to the CMTS, Client Portal, or both?</p> <p>Can the Department please provide examples of modifications that can be expected?</p> <p>Can the Department also please provide its Change Management process documentation, including expected timelines?</p>	<p>must maintain and modify its own systems at its own expense throughout the contract term.</p> <p>Possible modifications include:</p> <ul style="list-style-type: none"> <li>• Enhancements for case tracking and documentation</li> <li>• Security updates for role-based access compliance</li> <li>• Interface improvements for provider interactions. Technical upgrades to meet Department software and coding requirements (e.g., DRG Grouper, Medicare Coding Edits).</li> </ul> <p>The Department does not have a documented change management process. All modifications will be subject to user acceptance testing by the Department. Timelines for changes are not available.</p>
123.	V.E.4, E.5.a-c, E.6	70	Is the CMTS mentioned here in regards to the pre-payment CMTS mentioned in E.2?	Yes.
124.	Section V.E.5.a	70	Can the Department please provide the associated restrictions associated with any anticipated roles?	<p>The Department anticipates the following role-based security restrictions for RFP <i>Section V.E.5.a.</i>:</p> <ul style="list-style-type: none"> <li>• Workflow-based transaction approvals must be built into the system.</li> <li>• Role-based access should enforce appropriate approval and edit rights between staff and management.</li> <li>• Read-only roles must also be established.</li> </ul>
125.	Section V.E.6	70	<p>The RFP states, "The Department shall own all data input into the CMTS and all material in physical case files developed during the performance of this Contract. Contractor shall maintain all such data and files as custodian for the State during the term of the Contract, creating back-ups and archive copies of such data."</p> <p>Can the Department please confirm that at termination of the contract, when all data has been given to the</p>	Confirmed.

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			Department, the Contractor will not be expected to retain any backups/copies of data?	
126.	V.E. Technology Specifications 7.	70	Can the state provide the name and version of the software used by the Department which shall also match with the NC State Plan regarding the DRG Grouper Software and Medicare Coding Edits (MCE)?	The Department currently uses ICD-10 MS-DRG Grouper software, Version 42.1 for CMS MS-DRG Grouper Software and MCE.
127.	V.F	70	Can the State provide the number of customer support calls received over each of the last three fiscal years?	The Department does not track this data and is unable to provide this information as part of the Question and Response Process of this RFP.
128.	V.F. Customer Support	70	What is the current average monthly call center call count?	The average monthly call count for the OCPI/BIC phone line in 2024 was nineteen (19).
129.	Section V(G)(1)(d) Outreach and Education	70	This section requires contractors to participate in "provider association meetings and meeting with provider groups. Is the state able to provide information on the number of meetings where contractors participation is expected within a 12-month period?	The Contractor participates in provider association meetings no less than quarterly. In addition, ad hoc meetings with provider groups may be scheduled as needed by the Department; the frequency of these meetings may vary.
130.	V.G.1.d	71	Can the State provide the number of provider association meetings attended over each of the last three fiscal years?	The Department is unable to provide this information as part of the Question and Response Process of this RFP.
131.	V.G.1.d	71	Can the State provide the number of provider association meetings the Contractor is expected to attend annually?	The Contractor participates in provider association meetings no less than quarterly.
132.	V.H. Staffing. Table1 - Key Personnel	71	Is the State amenable to seeking an exception, in accordance with 42 CFR 455.516, from requiring the RAC to hire a minimum 1 FTE Contractor Medical Director as long as there are other medical professionals supporting this requirement?	Yes.  See Addendum #6 for revisions to <i>Section V.H.4.b.i.</i> of the RFP.
133.	V.H. Staffing. Table1 - Key Personnel	71	Is the State amenable to seeking an exception, in accordance with 42 CFR 455.518, from requiring the RAC to hire medical professionals licensed in the state of NC, as long as the medical professionals are licensed in at least one other state in the United States, given that the clinical reviews and analysis are not biased based on the state of licensure?	No, not at this time.



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134.	Section V(H) Key Personnel, Table 1	71	<p>Regarding education requirements for Key Personnel, will the state allow for the substitution of work experience in lieu of education requirements? For example, for the Senior Manager position, would the state allow the four-year degree requirement to be waived if an offeror's proposed individual exceeds the minimum of four years' experience?</p> <p>Please note, this question applies to ALL listed Key Personnel, the Senior Manager reference is intended to only serve as an example regarding the question of substituting additional work experience for education requirements. If applicable, please advise per position if work experience may be substituted for education requirements and the parameters/requirements for the work experience substitution.</p>	Yes, the Department will allow for substitution of appropriate work experience in lieu of education requirements. Licensing requirements cannot be substituted.
135.	V.H.4.b.xii.	72	<p><b>Requirement:</b> Clinical Staffing: At the direction of the Department, the Contractor will provide licensed clinical staff to support the Department in the completion of Beneficiary document reviews.</p> <p><b>Question:</b> Please confirm that the scope of Beneficiary document reviews are the reviews of medical records requested by the vendor.</p>	Confirmed.
136.	V.H. Staffing. Table1 - Key Personnel	73	Is the State amenable to removing the NC licensing criteria (from the NC Medical Board/NC Licensing Board) from the minimal certifications, credentials, and certifications requirements for KPs 4, 5, 6 and 7 as long as they meet the appropriate Medicaid experience and are licensed in the United States, in accordance with 42 CFR 455.516 "A State may seek to be excepted from some or all Medicaid RAC contracting requirements by submitting to CMS a written justification for the request..."?	No.
137.	V.H. Staffing. Table1 - Key Personnel	73	If Key Personnel must be licensed in the State of NC, can the vendor propose clinicians licensed by other state licensing boards so long as they initiate and make all reasonable efforts to complete the licensing process by the end of the implementation period?	No. Clinicians identified as key personnel must have an active North Carolina license at the time of implementation.

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138.	V.H.4 Table 1	73	Can the State share the current incumbent staff counts for each Key Personnel position listed?	The Department is unable to provide this information as part of the Question and Response Process of this RFP.
139.	V.H.4.Table 1.5	73	Is the Medical Director expected to be an FTE? Can this position be subcontracted?	<p>The RFP does not require the Medical Director to be a full-time employee. However, the Contractor must ensure the Medical Director is available as needed to fulfill all contract responsibilities.</p> <p>Yes. The Medical Director position can be subcontracted in accordance with the requirements outlined in <i>Section III.D.43</i> of the RFP.</p>
140.	V.D.H.4.Table 1.	74	Can the Department clarify that a Registered Physical Therapist will meet the Key Personnel requirement?	<i>Section V. H. Staffing, Table 1: Key Personnel</i> , outlines the minimum certifications, credentials and experience of key personnel required by the RFP.
141.	V.H.Table 1.7	74	Can the State clarify what type of therapist is required as part of the project key personnel (eg. Occupational therapist, mental health counselor, LSW, clinical social worker, physical therapist)?	Specialized therapies professional.
142.	V. Scope H. Staffing #7	74	Page 74 of the RFP contains the staffing requirements for key personnel and mentions a "therapist". Is this a BCBA/behavioral health therapist or a specialized therapies professional (physical, occupational, speech, or respiratory therapist)?	Specialized therapies professional.
143.	Section V.J Table 1: Reporting Metrics	75	This Table lists the required/expected reporting by the successful offeror. Upon award of the contract, will the state provide examples or templates of the required reports so the contractor may model their reporting after these examples/templates?	No. The Contractor is required to develop reporting templates that comply with the requirements of <i>Section V.J</i> of the RFP. The Department will review and approve the templates.
144.	V.I.6.a-c.	75	In reference to the language regarding "input protocols" and "adjust transmissions", does the State intend for the Contractor staff to have the ability to adjust and adjudicate claims? If yes, which scope is this applicable to (i.e., prepayment reviews only)?	This requirement is in reference to pre-payment claims review and the requirement for the Contractor to interact with NCTracks to obtain data to perform the reviews. The Contractor will approve or deny claims submitted for prepayment but will not have the ability to make adjustments to claims.

No.	RFP Section	RFP Page Number	Offeror Question	State's Response
145.	Section K Implementation	76	This section lists a number of Plans and Schedules that are required for Implementation of the contract. Upon award of the contract, will the state provide examples or templates of the required Plans so the contractor may model their Plans and Schedules after these examples/templates?	No. The Contractor will be responsible for developing and submitting reports in an agreed upon format that complies with the requirements of the RFP. The Department will review and approve the submitted templates.
146.	V. Scope J. Reports #9	76	How far through the collections process do you want the vendor to perform? Ex: Receiving the actual payment for the state or just facilitating the provider send payment directly to the state?	The Contractor's role in the collections process is limited to sending overpayment notices. The Contractor will not receive or process payments; Providers are instructed to send payments directly to the Department.
147.	V. Scope J. Reports #9 - 10	76	Can the State please provide its collections rate compared to its finalized overpayment rates?	The Department's effective collections rate compared to overpayment for 2023 was forty percent (40%), which was the highest rate achieved over the past three years. The Department anticipates that the RAC collections rate will increase due to the shift from check-based collections to direct claims offset.
148.	V.J.9 - 10	76	What collections enforcement mechanisms are available to the state?	The Department has the authority to engage collections agencies as well as offset tax revenue.
149.	V.J.9 - 10	76	What is the state's collections rate compared to finalized overpayment? Metric definition: (successful collections / post-appeal finalized overpayment)?	See response to question #76 above.
150.	V.K.5. Kickoff and Onboarding Meetings	77	How many training sessions, as referenced in this section, were held in each of the past 2 years?	No training sessions were held in the past two (2) years.
151.	Section L Quality Assurance	78	This section requires a Quality Assurance Plan and associated Policies and procedures. Upon award of the contract, will the state provide examples or templates of the required Plan, policies, and procedures so the contractor may model their deliverables after these examples/template?	No. The successful Offeror will be responsible for developing and submitting a Quality Assurance Plan and associated policies and procedures in an agreed upon format that complies with the requirements of the RFP. The Department will review and approve the submitted templates.
152.	Section M Business Continuity Plan	78	This section requires a Business Continuity Plan. Upon award of the contract, will the state provide an example or template of the required Plan so the contractor may model their Plan after this example/template?	Upon Contract Award, the Department can provide a de-identified example or FEMA template to the Contractor.

No.	RFP Section	RFP Page Number	Offeror Question	State's Response
153.	V.M. Business Continuity Plan	78,105	Could the state please clarify when the Business Continuity Plan is required to be submitted. The current assumption is that this should be submitted no later than 45 state business days <u>after</u> the contract effective date?	Offerors must submit a Business Continuity Plan no later than forty-five (45) State Business Days after the Contract Effective Date and annually thereafter in accordance with <i>Section V.M.</i> of the RFP.
154.	Section VI(D) Liquidated Damages	79	Proposed edit to this language:  "If the Contractor is determined to be in violation of the terms, conditions, requirements, and/or performance standards of the Contract, and Contractor cannot adequately and timely cure to the Department's satisfaction and in line with Contractor's obligations under this Contract, it is presumed that the Department will be harmed."	See response to question #9 above.
155.	VI.F. Table 1 - Performance Standards and Liquidated Damages	83	Can the state confirm the number of new complaints/referrals received through the BIC in the past fiscal year?	For State Fiscal Year (SFY) 2024, BIC total intake was one thousand two hundred twenty-five (1,255) new complaints or referrals.
156.	VI.F. Table 1: Performance Standards and Liquidated Damages.	83	<b>Performance Standards and Liquidated Damages:</b> There is a performance standard related to Adult Care Home Reviews. It states: The Contractor shall complete at least ninety five percent (95%) of onsite Adult Care Home reviews. What is the expectation for the volume of these reviews to be performed onsite? Is there a monthly count of onsite reviews expected for Adult Care Home providers?	The volume of Adult Care Home (ACH) reviews will be based on complaints received and any related proactive compliance reviews. The Department cannot predetermine or reasonably anticipate the volume of onsite ACH reviews.
157.	Attachments A-N	87-140	The Word documents provided by the Department use a form field entry for text, which does not allow for any formatting changes (including headings, font color, tables, columns, underline, boldface, bullets, etc.). Would the Department consider providing a version which allows formatting changes?	No.  See response to question #6 above.
158.	Attachment A: Minimum Qualifications Response	87-88	So as to minimize the burden on state reviewers, could the State confirm that responses on Attachment A can be high level to show qualifications since full detail of expertise is also required on Question 17?	No. Offerors are required to provide experience as described in <i>Section VII. Attachment A: Minimum Qualifications, question 4</i> , and <i>Section VII. Attachment B: Offeror's Response to Technical Evaluation Questions, 17</i> , of the RFP.

No.	RFP Section	RFP Page Number	Offeror Question	State's Response
159.	Attachment B.2	92	Can you clarify difference between "Postpayment Non-RAC Overpayment Reviews" and "Program Integrity Investigations"	Non-RAC post payment reviews are to ensure compliance and accuracy. Program integrity investigations result from complaints and analytics identifying potential fraud, waste and abuse.
160.	Attachment B: Offeror's Response To Technical Evaluation Questions	101	Will the State outline a list of "Department required tools"?	See <i>Section V.C. Qualifications and Program Administration Requirements</i> of the RFP.
161.	Attachment C: Cost Proposal	109	Does DHHS have a budget for this project?	Yes.
162.	Attachment C: Cost Proposal	109	Are all the funds available currently, or does DHHS need to secure additional funding sources?	Funding is available.
163.	Attachment C: Cost Proposal	109	The Cost Proposal Attachment C specifies that all fees are to be fixed. To assess staffing needs, can the department provide the count of RAC/Non-RAC Reviews by month and by claim type for each of the previous 2 years.	<p>Data is not available for the count of RAC reviews by month and by claim type for each of the previous two (2) years.</p> <p>In 2024, non-RAC prepayment claim reviews ranged between three thousand six hundred (3,600) to six thousand (6,000) detail line items per month, while post payment case reviews averaged fifteen (15) to twenty-five (25) per month. Data from 2023 is not included.</p> <p>The Department has revised the Cost Proposal. See RFP #30-2025-004-DHB Addendum #6 for <i>First Revised and Restated Attachment C: Cost Proposal</i>.</p>
164.	Attachment C: Cost Proposal	109	<p>Attachment C, page 109 of 140, item IV states - "The Offeror shall use the Department's Attachment C: Cost Proposal Workbook, which will be provided in MS Excel format upon request [emphasis added] as provided in Section II.E.3. of the RFP.</p> <p>Instead of the Cost Proposal Workbook being available upon request, would the state provide a copy of the workbook as part of the RFP documentation so that all</p>	<p>RFP <i>Attachment C: Cost Proposal Workbook</i> is provided in MS Excel format upon request, as stated in the RFP. Offerors must request the document per the instructions outlined in <i>Section II.E.3. of the RFP</i>.</p> <p>The Department has revised the Cost Proposal. See RFP #30-2025-004-DHB Addendum #6 for <i>First Revised and Restated Attachment C: Cost</i></p>

No.	RFP Section	RFP Page Number	Offeror Question	State's Response
			prospective offerors may include it in the bid analysis and submission?	<i>Proposal.</i>
165.	Attachment C: Cost Proposal	109	<p>Attachment C, page 109 of 140, item IV states - "The Offeror shall use the Department's Attachment C: Cost Proposal Workbook, which will be provided in MS Excel format upon request as provided in Section II.E.3. of the RFP.</p> <p>With the exception of a vendor's associated margin, profit, and/or award fee, if/when a copy of the Cost Proposal Workbook is provided to prospective offerors, will the state pre-populate the example workbook with illustrative and representative costs that ALL prospective bidders should be aware of and include in their cost proposal?</p>	<p>The Department is unable to provide an example workbook as part of the Question and Response Process of this RFP.</p> <p>Instructions for requesting MS Word and Excel versions of the documents and attachments required to be completed for proposal submission from Medicaid.Procurement@dhhs.nc.gov are provided in <i>Section II.E.3.c.</i> of the RFP.</p> <p>If you have not requested and received the MS Word and Excel versions of the documents and attachments, email Medicaid.Procurement@dhhs.nc.gov to request the files.</p> <p>The Department has revised the Cost Proposal. See RFP #30-2025-004-DHB Addendum #6 for <i>First Revised and Restated Attachment C: Cost Proposal.</i></p>
166.	Attachment C: Cost Proposal	109	Worksheet #4 specifies a fixed monthly fee. Is there a fixed volume of monthly audits? If not, to assess staffing needs, can the department provide the count of prepayment reviews by month and by claim type for each of the previous 2 years.	<p>There is no fixed volume of monthly audits. Prepayment claim reviews range between three thousand six hundred (3,600) to six thousand (6,000) per month.</p> <p>The Department has revised the Cost Proposal. See RFP #30-2025-004-DHB Addendum #6 for <i>First Revised and Restated Attachment C: Cost Proposal.</i></p>
167.	Attachment C: Cost Proposal	109	The Cost Proposal Attachment C specifies that all fees are to be fixed. Worksheet #5 does not specify if this must be a monthly fee or a per review fee is acceptable. Can the Department pls clarify if the fee can be a fixed fee per review? If so, can the fee be proposed by claim type being reviewed? For assessment of staffing, can the department provide the count of audits, by claim type	<p>Yes, the fee may be structured as a flat fee per claim reviewed. Fees may not vary by claim type. Data on the count of audits by claim type is not available.</p> <p>The Department has revised the Cost Proposal. See RFP #30-2025-004-DHB Addendum #6 for <i>First Revised and Restated Attachment C: Cost</i></p>

No.	RFP Section	RFP Page Number	Offeror Question	State's Response
				<i>Proposal.</i>
168.	Attachment C: Cost Proposal	109	Worksheet #6 specifies a fixed monthly fee. Is there a fixed volume of monthly investigations? If not, to assess staffing needs, can the department provide the count of Investigations by month and by claim type for each of the previous 2 years.	There is no fixed volume of monthly investigations. Monthly counts of investigations by claim type over the past two years are not available.  The Department has revised the Cost Proposal. See RFP #30-2025-004-DHB Addendum #6 for <i>First Revised and Restated Attachment C: Cost Proposal.</i>
169.	Attachment C: Cost Proposal A.	111	What is the expected scope for PERM, MIC and OSA reviews?	The Department has revised the Cost Proposal. See RFP #30-2025-004-DHB Addendum #6 for <i>First Revised and Restated Attachment C: Cost Proposal.</i>
170.	Instructions for Completing Attachment C: Cost Proposal	111	Will the state consider excluding RAC activities from pricing for comparative purposes? Contingency fees will vary across taxonomies, and without future recovery amounts it is not reasonable to compare costs across contractor submissions.	No.
171.	Instructions for Completing Attachment C: Cost Proposal	111	The total cost summary in Attachment C is broken down by workstream and year in dollar amounts. The RAC activities on W5 are a percentage of recovery times a Medicaid multiplier. This formula will not create a dollar amount and thus cannot be populated in W2 Total Cost Summary. Could the state please provide an alternative format for pricing purposes?	The Department has revised the Cost Proposal. See RFP #30-2025-004-DHB Addendum #6 for <i>First Revised and Restated Attachment C: Cost Proposal.</i>
172.	VII. Attachment C. Worksheet # 4: Prepayment Claims Reviews and Worksheet # 6 Program Integrity Investigations	113 and 115	The table on Page 115 of the Worksheet # 6 Program Integrity Investigations states the amounts to be listed are for program integrity investigations for prepayment claim reviews. However, the table on page 113 of Worksheet # 4: Prepayment Claims Reviews Costs indicates it is for listing out the prepayment costs. Should Worksheet #6 Program Integrity Investigations, page 115 state post-payment instead of prepayment?	The Department has revised the Cost Proposal. See RFP #30-2025-004-DHB Addendum #6 for <i>First Revised and Restated Attachment C: Cost Proposal.</i>
173.	VII. Attachment C Worksheet # 5: Postpayment & RAC/Non-	114	The non-RAC table at the bottom of this page indicates LTC Onsite. Does the State expect all LTC reviews to be performed onsite?	No. The Offerors must provide on-site and off-site operational staff to support LTC reviews.  The Department has revised the Cost Proposal.



No.	RFP Section	RFP Page Number	Offeror Question	State's Response
	RAC Costs			See RFP #30-2025-004-DHB SSFWA Addendum #6 for <i>First Revised and Restated Attachment C: Cost Proposal</i> .
174.	VII. Attachment C: Worksheet # 5: Postpayment & RAC/Non-RAC Costs.	114	The fee schedule for non-RAC reviews identify only a portion of the reviews listed in the RFP on page 61, Section 2, Post Payment Reviews and RAC/non-RAC. Can the State confirm that the following reviews: Physician Services, Home Care, Behavioral Health, Dental and Pharmacy will fall under RAC only?	Physician Services, Home Care, Behavioral Health, Dental, and Pharmacy will apply to RAC and non-RAC reviews.  The Department has revised the Cost Proposal. See RFP #30-2025-004-DHB SSFWA Addendum #6 for <i>First Revised and Restated Attachment C: Cost Proposal</i> .
175.	VII. Attachment C: Worksheet #5: Postpayment & RAC/Non-RAC Costs	114	The cost template asks for a contingency fee, but the cells are formatted for dollars vs. a percentage. Will the state be providing an updated Attachment C to reflect the correct format?	The Department has revised the Cost Proposal. See RFP #30-2025-004-DHB Addendum #6 for <i>First Revised and Restated Attachment C: Cost Proposal</i> .
176.	VII. Attachment C: Cost Proposal	113 and 115	Given the need to provide a monthly flat fixed fee for the Prepayment Claims Reviews and Program Integrity Investigations. Are there historical or estimated volumes associated with both scopes for the vendors to properly estimate a best value price for the Department?	Prepayment claims volume range between three thousand six hundred (3,600) to six thousand (6,000) claims per month. Post payment case reviews may average fifteen (15) to twenty-five (25) cases per month.
177.	Attachment C: Cost Proposal	115	Header row of "Program Integrity Investigations" pricing input table on page 115 mistakenly refers to "Prepayment" in the row above the Years. Should this table instead reflect "Program Integrity Investigations" throughout?	The Department has revised the Cost Proposal. See RFP #30-2025-004-DHB Addendum #6 for <i>First Revised and Restated Attachment C: Cost Proposal</i> .
178.	Attachment C: Cost Proposal	114	Will the state clarify if Non-RAC Overpayment Reviews are in fact paid on contingency as per Row 37? If these are contingency based, is the contractor paid upon identification or recovery?	Non-RAC overpayment Reviews will not be paid on a contingency fee.  The Department has revised the Cost Proposal. See RFP #30-2025-004-DHB Addendum #6 for <i>First Revised and Restated Attachment C: Cost Proposal</i> .
179.	Cost Proposal	114	If the contractor is not responsible for recoveries for Non-RAC reviews, listed in rows 40-45 of the cost proposal, would the State consider a payment methodology different than contingency rate?	Yes, the Department will consider a payment methodology different than contingency rate.  The Department has revised the Cost Proposal. See RFP #30-2025-004-DHB Addendum #6 for



No.	RFP Section	RFP Page Number	Offeror Question	State's Response
				<i>First Revised and Restated Attachment C: Cost Proposal.</i>
180.	Attachment E, a	119	As a CPA firm, we do not have audited financial statements. Will the Department accept our internally prepared financial statements with an attestation of accuracy by our CFO?	Offerors must complete and sign <i>Section VII. First Revised and Restated Attachment E. Certification of Financial Condition and Legal Action Summary</i> as indicated. Offerors are instructed to provide an explanation and encouraged to provide documentation supporting those explanations if any of the boxes are not checked.
181.	Section II. Table 3 Evaluation Criteria	138	How will the inclusion of subcontracting with small, disadvantaged, and/or protected businesses be scored or weighted in the evaluation of Best Value?	Offerors response will be evaluated in accordance with RFP <i>Section VII. Attachment N. Evaluation Methodology</i> .
182.	Section II. Table 3 Evaluation Criteria	138	How will the inclusion of subcontracting with NC-based businesses be scored or weighted in the evaluation of Best Value?	Offerors response will be evaluated in accordance with RFP <i>Section VII. Attachment N. Evaluation Methodology</i> .

**Execute Addendum #5:**

**Offeror:** \_\_\_\_\_

**Authorized Signature:** \_\_\_\_\_

**Name and Title (Typed):** \_\_\_\_\_

**Date:** \_\_\_\_\_